



# **Administration & Regulatory Affairs**

## **Quality of Life Committee Briefing: Washington Corridor Parking Benefit District Pilot Program**

**May 14, 2014**

# Washington Corridor in 2012



- ▶ Popular nighttime destination  
- peak occupancy from 6 pm to 2 am
- ▶ On-street parking: FREE
- ▶ Off-street parking: Mix of free and pay private lots
- ▶ Average - 270 vehicles parked on Center and Washington during peak hours



# The Problem in 2012

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## ▶ Complaints:

- Valet operators used free parking on residential streets
- Parking congestion created on residential streets
- Congestion and cruising behavior created nuisance and sometimes hazardous conditions
- Employees using the on-street spaces for long-term parking
- Not all streets were eligible for residential parking permits (RPP)



# Contributing Factors

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- Zero or minimal curb space management
- Ripple effect: retail patrons finding no available, free, on-street parking, cruised and parked on residential streets or were forced to pay \$10 to \$20 per space in a private lot
- Ripple effect: resulted in no on-street parking for residents and guests on their own streets

# COH Response

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- 27 meetings with stakeholders
- Stakeholders were business owners and residents
- Internal interdepartmental working group including Council Member Cohen, ARA, Planning, PWE and Legal
- Recommendation: creation of a Parking Benefit District Pilot Program for the Washington Corridor

# Parking Benefit Districts – Overview

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- Goals:
  - Improve quality of life:
    1. Ensuring on-street parking is available;
    2. Encouraging parking turnover, through the use of meters;
    3. Encouraging the use of off-street parking by longer-term patrons;
    4. Discouraging the use of on-street parking for vehicle storage by valet operators;
    5. Providing permitted parking areas for exclusive use by occupants within the district.
  - Encourage and sustain economic growth:
    1. Pre-qualifying customers;
    2. Providing funding for public improvement projects without tax increases or assessments;
    3. More efficiently allocating a scarce, expensive resource.

# Washington Corridor PBD



- ▶ Ordinance approved on December 5, 2012
- ▶ Parking plan included meters and permit parking
- ▶ Formation of Parking Benefit District Advisory Committee, representing residents and businesses
- ▶ Assumptions:
  - Annual Gross Revenue Projection Based on Manual Vehicle Occupancy Counts: \$445,900
  - Annual Estimated Capital + Operating Expenses: \$275,000
- ▶ Parameters:
  - District to receive 60% of **net** meter revenues
  - District to bear all administrative expenses
  - City to recover all costs associated with the program
  - Public improvement projects in the district cannot be initiated until the District accumulates \$250K in net revenues.



# Washington Corridor PBD (cont'd)



- ▶ Assumptions in December 2012:
  - Pay-to-park lots would continue to remain paid parking
  - Few patrons would park in the neighborhood and walk
  - Residents would request RPPs for at least **17 streets** (170 spaces)
  - Vehicle Occupancy would be **50%**
- ▶ Metered parking began in May 2013
- ▶ Reality vs. Assumptions:
  - Pay-to-Park lots became FREE once meters went live
  - Most patrons park in residential areas and walk to retail
  - Residents have requested only **1 RPP**
  - Vehicle Occupancy at meters is **30%**

Timeline

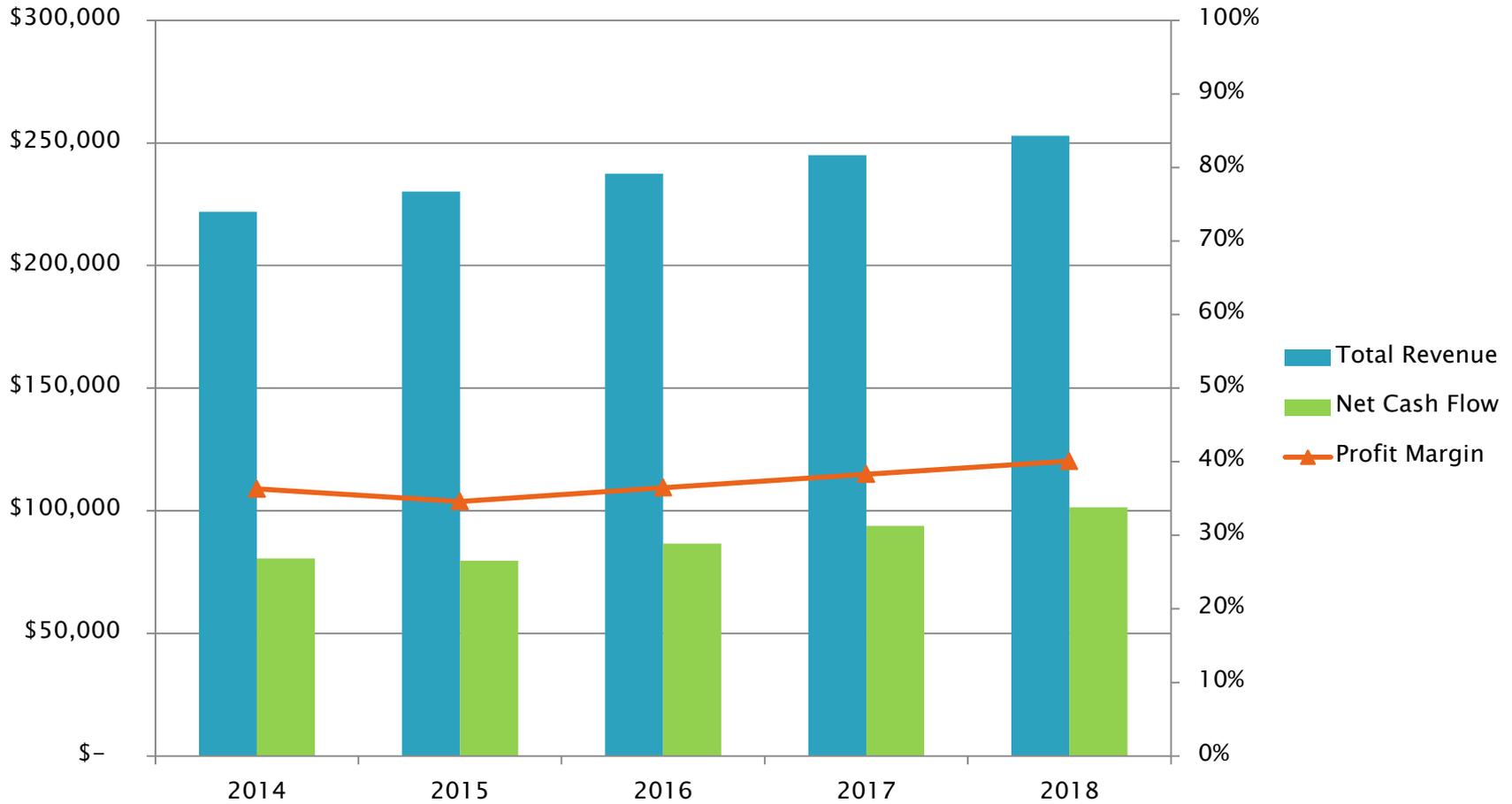
# Success or Failure?

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- ▶ Performance Measures
  - Complaints have decreased
  - Valet operators no longer storing vehicles on the street
  - Meter parking occupancy trend increasing since May 2013
  - [Parking Occupancy](#)
- ▶ Sales tax receipts have increased since the beginning of the program.
  - [Washington Corridor Sales Tax Average](#)
  - [Washington Corridor Sales Tax First Quarter](#)
- ▶ New residential, mixed-use and retail development continues along the corridor and property values are increasing
  - [Developments](#)
  - [Property Values](#)
  - [Residential Garbage Bin Requests](#)

# Five Year Projection



Model Accuracy

# Success or Failure? (cont'd)

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## ▶ Financial Measures:

- The Washington Corridor Parking Benefit District is profitable. Total revenues inclusive of meter revenue and citations exceeds capital and operating expenses.
- Over a ten-year period, our projection model forecasts:
  - \$2.4 million in gross revenues
  - \$924K in operating expenses
  - \$477K in capital expenses (which will be paid off in 2022)
  - \$1.04 million in net revenues
  - 60% of net meter revenues to District for public improvement projects.

- ▶ **Conclusion?** Based on measures, the Washington PBD has been a success!
- ▶ **Next Steps:** Find a way to meet the District public improvement threshold sooner

# Program Financial Summary



## Exhibit 1 Washington Avenue Parking Financial Summary - Total cash flow including citations

Period Ending Dec 31	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTALS
<b>Revenue</b>											
Net Meter Revenue	\$ 87,717	\$ 133,561	\$ 137,030	\$ 142,529	\$ 148,287	\$ 154,278	\$ 160,510	\$ 166,995	\$ 173,742	\$ 180,761	\$ 1,485,410
Citation	63,315	86,232	91,441	93,270	95,135	97,038	98,979	100,958	102,977	105,037	934,381
Permit Sales	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	22,250
<b>Total Revenue</b>	<b>153,257</b>	<b>222,018</b>	<b>230,696</b>	<b>238,023</b>	<b>245,647</b>	<b>253,540</b>	<b>261,714</b>	<b>270,178</b>	<b>278,944</b>	<b>288,023</b>	<b>2,442,041</b>
<b>Cash Operating Expenses</b>											
Enforcement	25,000	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	362,500
O & M	16,667	42,820*	51,730	51,730	51,730	51,730	51,730	51,730	51,730	51,730	473,327
Credit Card Processing	5,251	7,995	8,203	8,532	8,877	9,235	9,609	9,997	10,401	10,821	88,920
<b>Total Expenses</b>	<b>46,918</b>	<b>88,315</b>	<b>97,433</b>	<b>97,762</b>	<b>98,107</b>	<b>98,465</b>	<b>98,839</b>	<b>99,227</b>	<b>99,631</b>	<b>100,051</b>	<b>924,747</b>
<b>Gross Profit</b>	<b>106,340</b>	<b>133,703</b>	<b>133,263</b>	<b>140,261</b>	<b>147,540</b>	<b>155,075</b>	<b>162,875</b>	<b>170,951</b>	<b>179,313</b>	<b>187,972</b>	<b>1,517,294</b>
<i>Gross Margin</i>	<i>69.39%</i>	<i>60.22%</i>	<i>57.77%</i>	<i>58.93%</i>	<i>60.06%</i>	<i>61.16%</i>	<i>62.23%</i>	<i>63.27%</i>	<i>64.28%</i>	<i>65.26%</i>	<i>37.87%</i>
<b>Financing Cash Flow</b>											
Payment to COH	35,405	53,107	53,107	53,107	53,107	53,107	53,107	53,107	53,107	17,702	477,966
<b>Net Cash Flow</b>	<b>\$ 70,935</b>	<b>\$ 80,596</b>	<b>\$ 80,156</b>	<b>\$ 87,154</b>	<b>\$ 94,433</b>	<b>\$ 101,968</b>	<b>\$ 109,768</b>	<b>\$ 117,844</b>	<b>\$ 126,206</b>	<b>\$ 170,269</b>	<b>\$ 1,039,328</b>
<i>Net Margin</i>	<i>46.28%</i>	<i>36.30%</i>	<i>34.75%</i>	<i>36.62%</i>	<i>38.44%</i>	<i>40.22%</i>	<i>41.94%</i>	<i>43.62%</i>	<i>45.24%</i>	<i>59.12%</i>	
<b>Cumulative Net Cash flow</b>	<b>\$ 70,935</b>	<b>\$ 151,531</b>	<b>\$ 231,686</b>	<b>\$ 318,840</b>	<b>\$ 413,273</b>	<b>\$ 515,241</b>	<b>\$ 625,009</b>	<b>\$ 742,853</b>	<b>\$ 869,058</b>	<b>\$ 1,039,328</b>	<b>\$ 1,039,328</b>
<b>Revenue Share @ 100.0% Payout</b>											
COH	40%										
PBD	60%										
<b>Totals</b>	<b>100%</b>										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Beginning Payout Period

0-Jan-00

\*Meter annual warranties are effective

# What Accelerates Project Return?

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- More development
- More RPP designations
  - Advertise RPP on HOA web sites
  - Continue to visit with HOAs and Civic clubs



# Proposed Scenario

Project Initiation - Current

Project Initiation - Modified

Period Ending Dec 31

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTALS
<b>Revenue</b>											
Net Meter Revenue	\$ 87,717	\$ 133,561	\$ 137,030	\$ 142,529	\$ 148,287	\$ 154,278	\$ 160,510	\$ 166,995	\$ 173,742	\$ 180,761	\$ 1,485,410
Permits	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	22,250
<b>Total Revenue</b>	<b>89,942</b>	<b>135,786</b>	<b>139,255</b>	<b>144,754</b>	<b>150,512</b>	<b>156,503</b>	<b>162,735</b>	<b>169,220</b>	<b>175,967</b>	<b>182,986</b>	<b>1,507,660</b>
<b>Cash Operating Expenses</b>											
Enforcement	13,750	20,625	20,625	20,625	20,625	20,625	20,625	20,625	20,625	20,625	199,375
O & M	9,167	23,551	28,452	28,452	28,452	28,452	28,452	28,452	28,452	28,452	260,330
Credit Card Processing	2,888	4,397	4,512	4,693	4,882	5,079	5,285	5,498	5,720	5,951	48,906
<b>Total Expenses</b>	<b>25,805</b>	<b>48,573</b>	<b>53,588</b>	<b>53,769</b>	<b>53,959</b>	<b>54,156</b>	<b>54,361</b>	<b>54,575</b>	<b>54,797</b>	<b>55,028</b>	<b>508,611</b>
<b>Gross Profit</b>	<b>64,138</b>	<b>87,213</b>	<b>85,667</b>	<b>90,984</b>	<b>96,553</b>	<b>102,347</b>	<b>108,374</b>	<b>114,645</b>	<b>121,170</b>	<b>127,958</b>	<b>999,049</b>
<i>Gross Margin</i>	<i>71.31%</i>	<i>64.23%</i>	<i>61.52%</i>	<i>62.85%</i>	<i>64.15%</i>	<i>65.40%</i>	<i>66.60%</i>	<i>67.75%</i>	<i>68.86%</i>	<i>69.93%</i>	<i>33.74%</i>
<b>Financing Cash Flow</b>											
Payment to COH	19,473	29,209	29,209	29,209	29,209	29,209	29,209	29,209	29,209	9,736	262,881
<b>Net District Cash Flow</b>	<b>\$ 44,665</b>	<b>\$ 58,004</b>	<b>\$ 56,458</b>	<b>\$ 61,775</b>	<b>\$ 67,344</b>	<b>\$ 73,138</b>	<b>\$ 79,165</b>	<b>\$ 85,436</b>	<b>\$ 91,961</b>	<b>\$ 118,221</b>	<b>\$ 736,167</b>
<i>Net Margin</i>	<i>49.66%</i>	<i>42.72%</i>	<i>40.54%</i>	<i>42.68%</i>	<i>44.74%</i>	<i>46.73%</i>	<i>48.65%</i>	<i>50.49%</i>	<i>52.26%</i>	<i>64.61%</i>	
<b>Cumulative Net Cash flow</b>	<b>\$ 44,665</b>	<b>\$ 102,669</b>	<b>\$ 159,127</b>	<b>\$ 220,902</b>	<b>\$ 288,246</b>	<b>\$ 361,384</b>	<b>\$ 440,549</b>	<b>\$ 525,985</b>	<b>\$ 617,946</b>	<b>\$ 736,167</b>	<b>\$ 736,167</b>
<b>Composition of Revenue</b>											
Meter	97.53%	98.36%	98.40%	98.46%	98.52%	98.58%	98.63%	98.69%	98.74%	98.78%	98.52%
Permits	2.47%	1.64%	1.60%	1.54%	1.48%	1.42%	1.37%	1.31%	1.26%	1.22%	1.48%
<b>Totals</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Revenue Share @ 100.0% Payout</b>											
COH	40%	41,068	22,583	24,710	26,938	29,255	31,666	34,174	36,784	47,289	294,467
PBD	60%	-	61,601	33,875	37,065	40,406	43,883	47,499	51,262	55,176	441,700
<b>Totals</b>	<b>100%</b>	<b>\$ -</b>	<b>\$ 102,669</b>	<b>\$ 56,458</b>	<b>\$ 61,775</b>	<b>\$ 67,344</b>	<b>\$ 73,138</b>	<b>\$ 79,165</b>	<b>\$ 85,436</b>	<b>\$ 91,961</b>	<b>\$ 736,167</b>

# Recommended City Council Action

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- ▶ Allocate a portion of the expenses to the Parking Management Special Revenue Fund
- ▶ Reduce project threshold to \$100,000 net revenue
  - The PBD Advisory Committee voted unanimously on April 8, 2014 to move these recommendations forward to City Council for consideration



# Appendix

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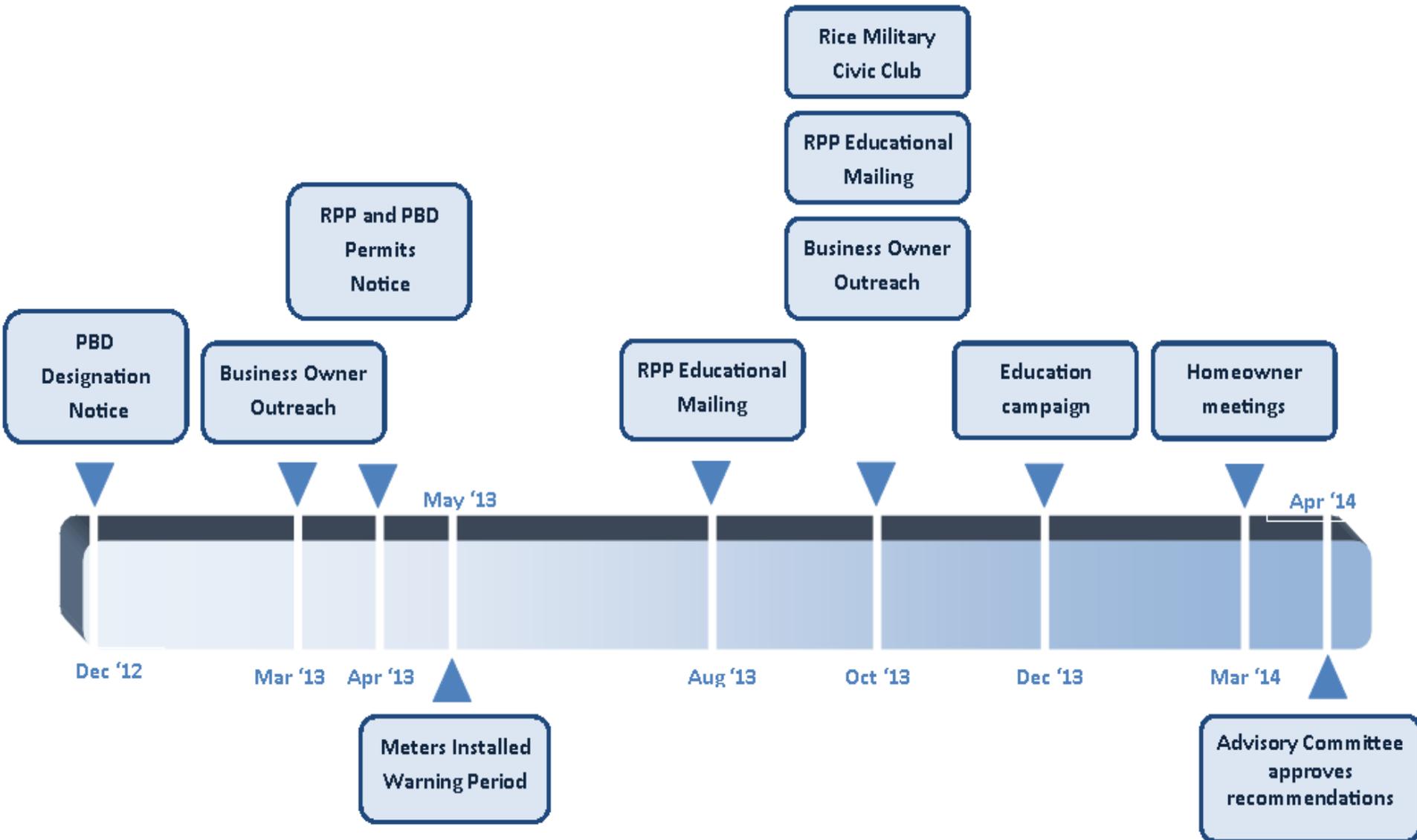
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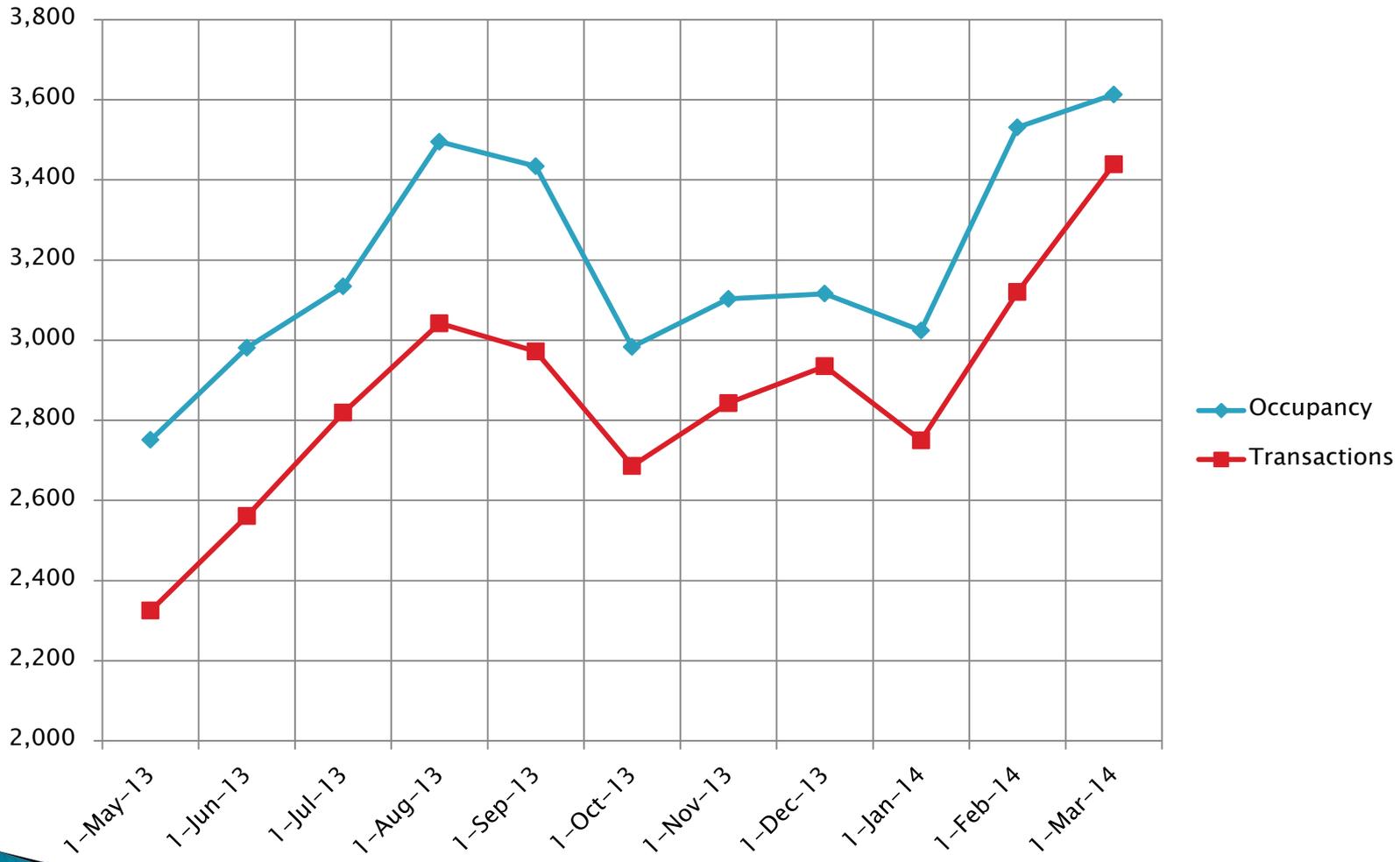
- ▶ Timeline
- ▶ Occupancy
- ▶ Washington Corridor Sales Tax Average
- ▶ Washington Corridor Sales Tax First Quarter
- ▶ New Developments
- ▶ Property Values
- ▶ New Garbage Bin Requests
- ▶ Actuals vs Forecast
- ▶ Project Initiation – Current State
- ▶ Project Initiation – Future State

# Timeline

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# Parking Occupancy

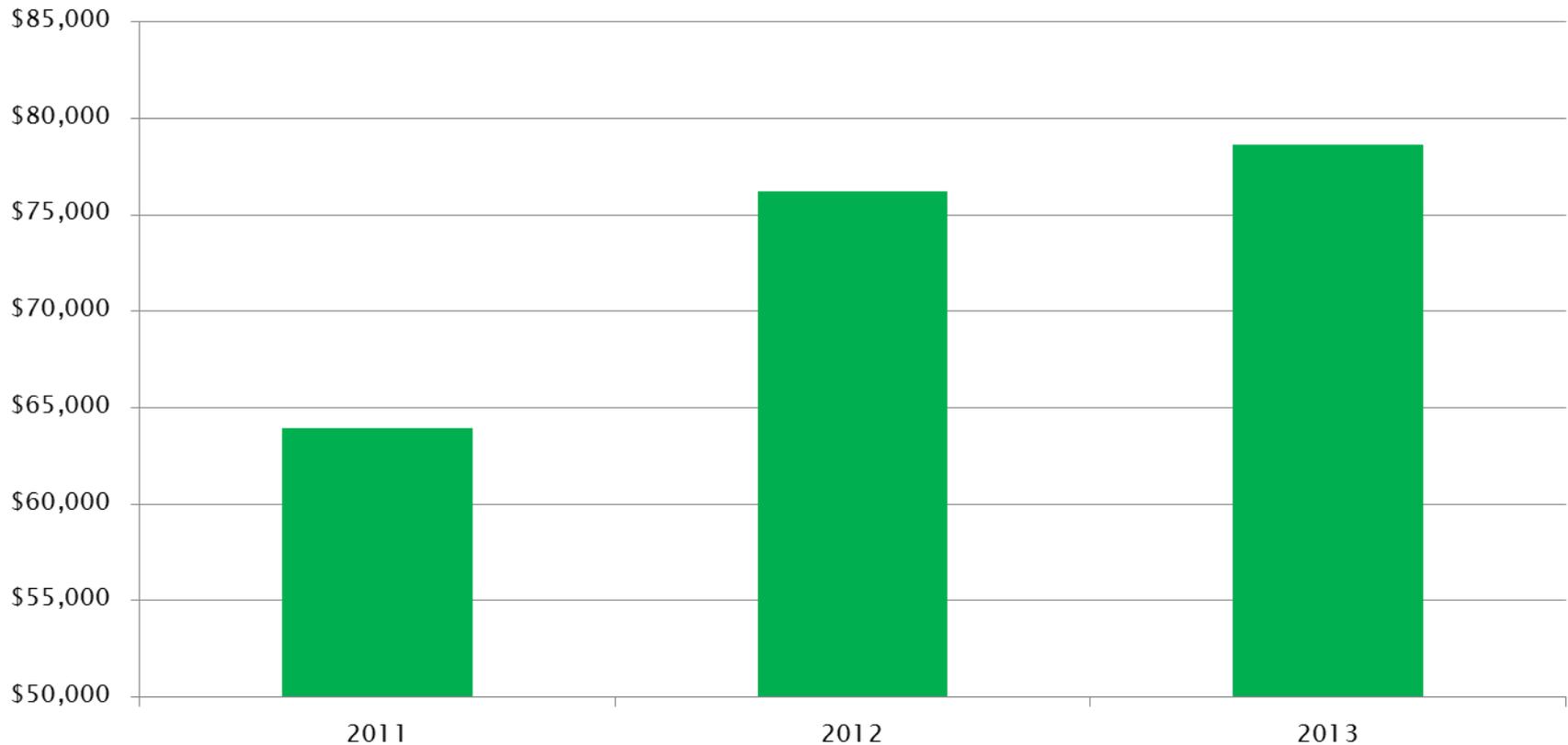


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# Washington Corridor Sales Tax



## Average Monthly Sales Tax

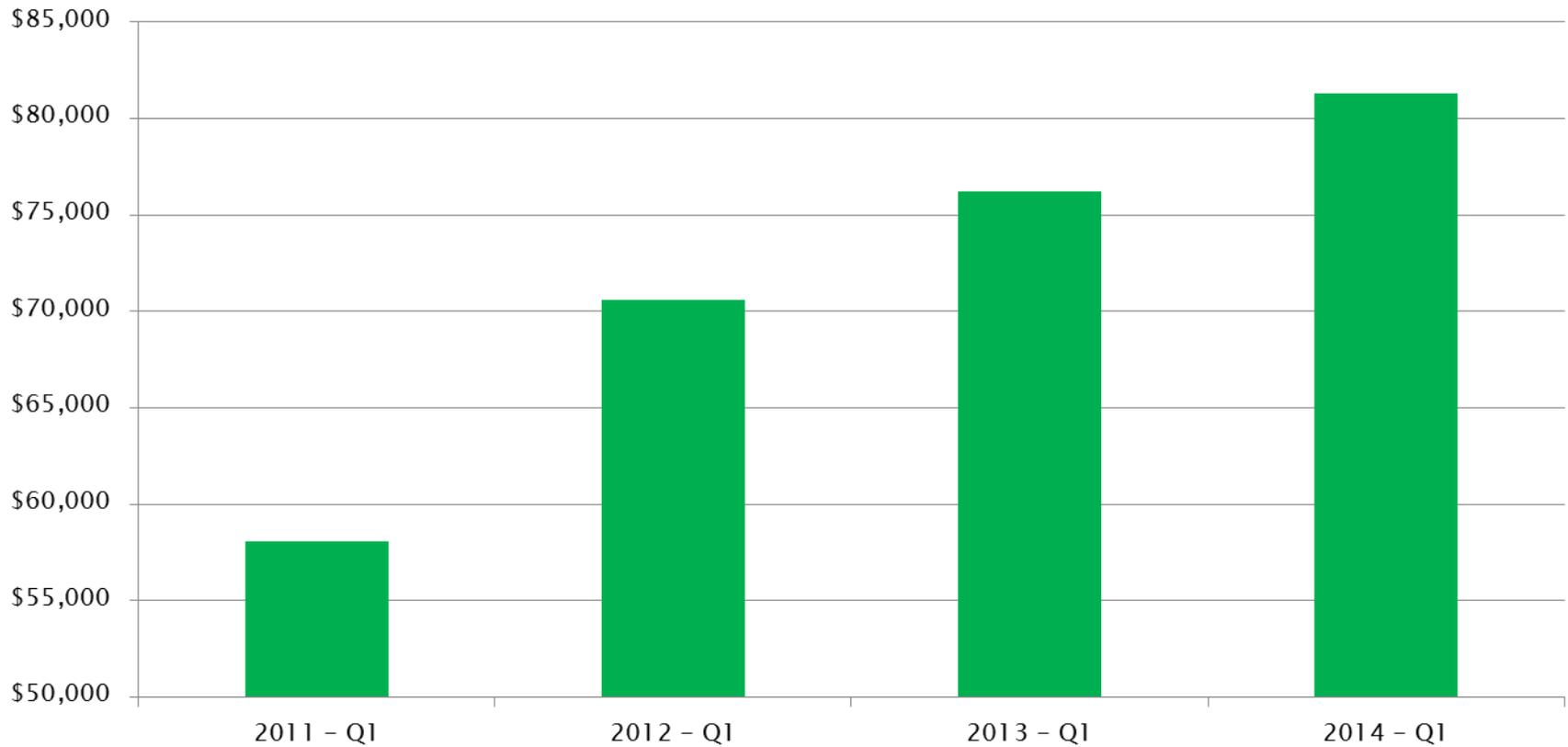


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# Washington Corridor Sales Tax



## First Quarter Average Monthly Sales Tax



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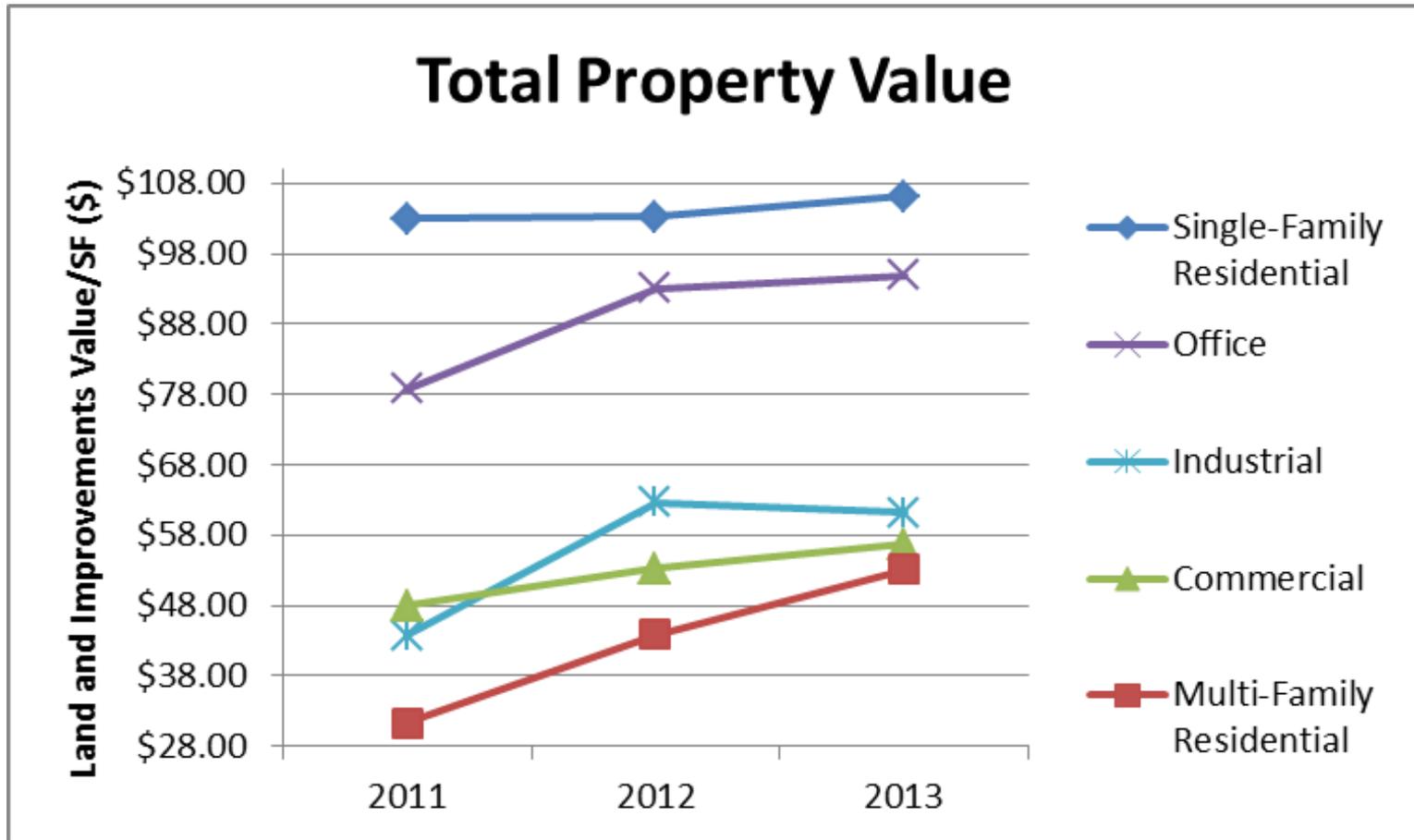
# New Developments

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Publicly Announced Development	Address	Open Date
Restaurant	1814 Washington	Pending
Grafittis	2000 Union	Pending
Lucky's Urban Eats	3400 Washington	Summer 2014
Julep	1919 Washington	Summer 2014
La Roux	4003 Washington	Pending
Pink's Pizza	1009 Moy St.	Pending
Big Eyed Fish	908 Henderson	Pending
Elan Memorial Park – Mixed Use	900 Westcott	Breaking ground 2014
The Grand Bistro & Lounge	4105 Washington	Pending
Office Building w/retail	2019 Washington	Pending
36 Unit Mid Rise	Center/Studemont	Pending
Eight-story Mid Rise	5424 Washington	Pending
Three Brother's Bakery	4602 Washington	Open – March 2014
Caddyshack	1809 Washington	Open – July 2013
De Gaulle	2811 Washington	Open – October 2013

# Property Values

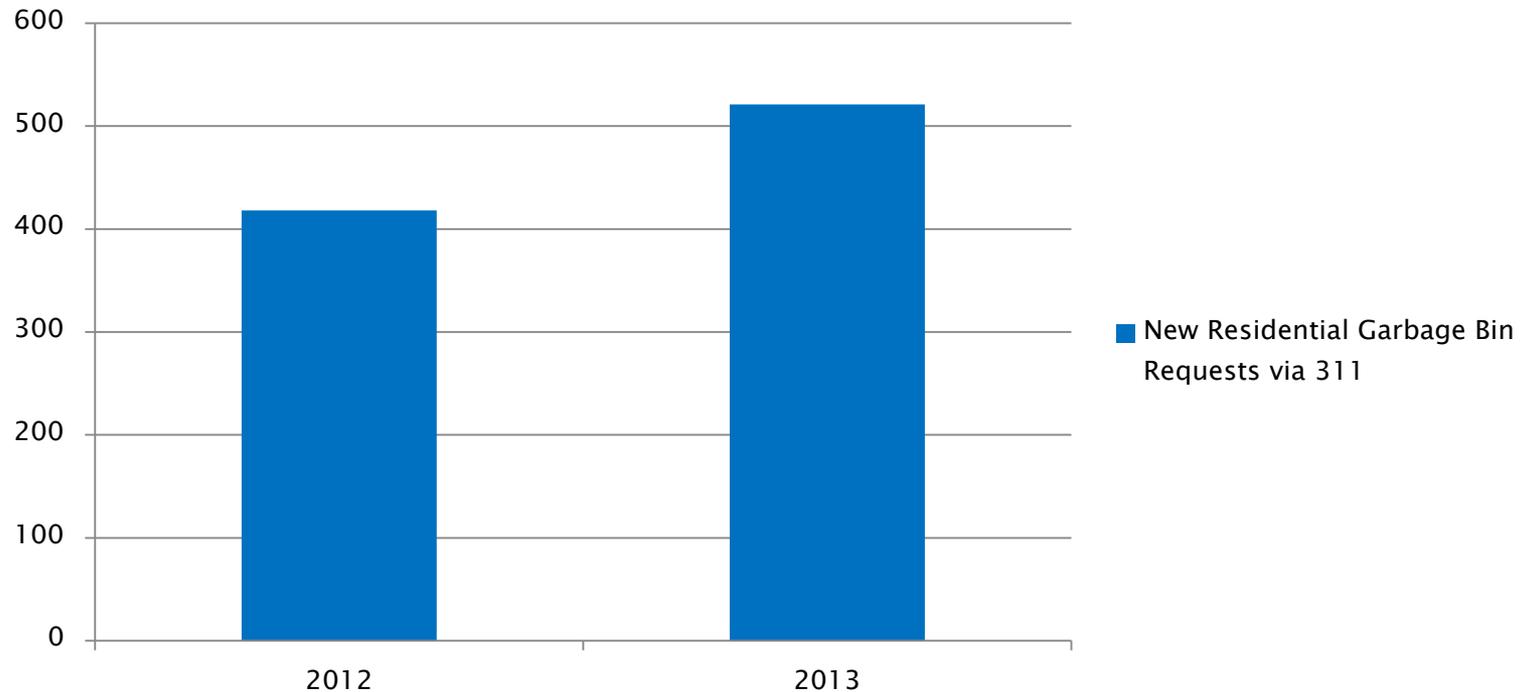


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# Residential Garbage Bin Requests



## New Residential Garbage Bin Requests via 311



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# Actuals vs Forecast



## Model Forecast for April 2014:

Scenario	Meter Transactions	Citations	Ave Parking Fee	Forecast
Optimistic	3,104	405	\$4.36	\$13,362
Base	2,904	334	\$4.14	\$11,856
Pessimistic	2,703	263	\$3.92	\$10,439

## Actuals for April 2014:

Meter Transactions	Citations	Ave Parking Fee	Meter Revenue
3,353	308	\$3.70	\$12,305.10

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# Project Initiation – Current State



## Period Ending Dec 31

Cumulative Net Cash flow

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTALS
Cumulative Net Cash flow	\$ 7,620	\$ 1,322	\$ (10,645)	\$ (17,470)	\$ (18,910)	\$ (14,748)	\$ (4,757)	\$ 11,299	\$ 33,663	\$ 97,996	\$ 97,996

## Composition of Revenue

Meter	97.53%	98.35%	98.39%	98.45%	98.51%	98.57%	98.63%	98.68%	98.73%	98.78%	98.52%
Permits	2.47%	1.65%	1.61%	1.55%	1.49%	1.43%	1.37%	1.32%	1.27%	1.22%	1.48%
Totals	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

## Revenue Share @ 100.0% Payout

COH	40%	-	-	-	-	-	-	-	-	-	-
PBD	60%	-	-	-	-	-	-	-	-	-	-
Totals	100%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Beginning Payout Period

0-Jan-00

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# Project Initiation – Future State



## Period Ending Dec 31

Cumulative Net Cash flow

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTALS
Cumulative Net Cash flow	\$ 44,665	\$ 102,669	\$ 159,127	\$ 220,902	\$ 288,246	\$ 361,384	\$ 440,549	\$ 525,985	\$ 617,946	\$ 736,167	\$ 736,167

## Composition of Revenue

Meter	97.53%	98.36%	98.40%	98.46%	98.52%	98.58%	98.63%	98.69%	98.74%	98.78%	98.52%
Permits	2.47%	1.64%	1.60%	1.54%	1.48%	1.42%	1.37%	1.31%	1.26%	1.22%	1.48%
Totals	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

## Revenue Share @ 100.0% Payout

COH	40%	-	41,068	22,583	24,710	26,938	29,255	31,666	34,174	36,784	47,289	294,467
PBD	60%	-	61,601	33,875	37,065	40,406	43,883	47,499	51,262	55,176	70,933	441,700
Totals	100%	\$ -	\$ 102,669	\$ 56,458	\$ 61,775	\$ 67,344	\$ 73,138	\$ 79,165	\$ 85,436	\$ 91,961	\$ 118,221	\$ 736,167

Beginning Payout Period

31-Dec-14

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5/15/2014

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